



Children's Services
Director, Jenny Coles

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TO ALL HEADTEACHERS:

My ref: SN/jrg
Your ref:
Date: 16 May 2017

SENT BY EMAIL

Dear Headteacher

REFORMED INTERMEDIARIES REGULATIONS (IR35)

The reformed Intermediaries Regulations (IR35) took effect from Thursday 6 April and affects how the Council & Schools pay and manage tax for workers contracted to deliver work on their behalf. The new regulations apply to all payments made from Thursday 6 April 2017 – even if the work was delivered prior to this date.

The purpose of this communication is to remind Schools that it is their responsibility to correctly determine the employment status of all its workers and pay them accordingly. If the School does not make the correct employment status decision, the liabilities for PAYE and NIC will fall on the School along with interest and penalty charges.

When making a decision on employment status, the ['HMRC online tool'](#) should be used **in all cases** and a copy of the outcome, including the questions and answers, **must be retained for audit purposes**.

The Financial Handbook for Schools has been updated and published on [the GRID](#). Information and the processes to follow for off-payroll workers can be found in Annex L. Please ensure you have read this guidance and the processes are followed for all existing and new workers.

For further information on IR35 please visit <https://www.gov.uk/topic/business-tax/ir35>

Yours sincerely

Simon Newland
Operations Director, Education
Children's Services

www.hertsdirect.org



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